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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
4 June 1967

INTELLIGENCE MEMORANDUM

Arab-Israeli Situation Report
(As of 4:30 p.m. EDT)

1. The establishment of a "national unity government" in Tel Aviv has been met with almost universal satisfaction and exhilaration by the Israeli public. The Israeli radio is now broadcasting statements that Israel will not be restrained from unilateral action if international efforts to solve the crisis fail. The government decided on 4 June to introduce bills in the Israeli parliament tomorrow which will increase income taxes and authorize the issuance of new bonds for sale abroad.

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3. Cairo has announced that it is still determined to exercise its "rights and sovereignty over its territorial waters." Jumhuriyah, a Cairo semi-official newspaper, stated today that a ship flying a non-Israeli flag "is preparing to make the decisive journey that will sound the alarms of war."

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State Department review
completed

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5. Baghdad became a signatory to the UAR-Jordanian mutual defense agreement today as Nasir met in Cairo with Iraqi Deputy Premier Tahir Yahya. The Iraqi gesture was hailed immediately in Amman by King Husayn, but, like Tuesday's Egyptian/Jordanian accord, has been ignored in Damascus.

6. Today Husayn called his first press conference since the crisis emerged and spoke in enthusiastic terms of the new movement towards Arab solidarity.

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7. The American Ambassador in Beirut is extremely concerned over the implications for US interests in Lebanon of the current war fever. He feels that the Christian half of the Lebanese population is now fearful of losing their independence and being forced into the radical Muslim Arab orbit, the extension of Arab

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socialism into Lebanon, and, at worst, absorption of Lebanon by Syria. The Ambassador fears that the outbreak of war could force the Lebanese to nationalize Tapline -- the pipeline from Saudi Arabia -- and other American interests.

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10. The Israelis published Kosygin's message to Eshkol yesterday, eight days after its receipt in Tel Aviv. Kosygin's brief remarks made no demands, and were cast in the form of an appeal to Israel to refrain from taking any military initiative. Kosygin said that "we are confident that however complex the situation..., measures should be found to settle the conflict by nonmilitary means..." The message did not mention Soviet support for the Arabs in the current crisis.

11. The Security Council has been unable to take any action due to disagreement on the wording of any resolution. Although the majority of the members are in favor of urging restraint they are divided on whether to include in the resolution any reference to the Secretary General's appeal to "forego belligerence." Council President Hans Tabor of Denmark is

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seeking support for a resolution which merely takes note of Thant's appeal in paragraph 14 of his report and urges all parties to refrain from aggression or other action which might worsen the situation. However, the UK believes that this resolution by not including the appeal is not strong enough. The UK has suggested that the French call for a "breathing spell" might be a substitute for an interim resolution. They are also in favor of sending a special representative of the Secretary General to the area.

12. The Netherlands has joined Britain and the US in making representations to the Western European countries and their allies in favor of adherence to the proposed maritime declaration. Most of the countries approached, however, are reluctant to make a public commitment. A number of smaller countries believe they would undercut a capability for effective influence on the crisis -- in the United Nations, in relation to France -- if they make a public commitment at this time. Although supporting the principle of free transit, they are reluctant to "take sides" by adherence to the declaration. Italy seems now to be leaning toward adherence while Japan is expected to give some answer early this week.

LATE ITEM

13. In a speech at 1:30 p.m. today, Nasir declared that "we will not recognize any declaration by the maritime states and would regard such a declaration as a hostile action against our sovereignty and our legitimate rights. We would regard such action as an introduction to a military action. We shall resist and stand against any aggression." He went on to say that "If any foreigner dares to attack us, we will be lying in wait for him." Egyptian Foreign Minister Riad has also issued an official Egyptian government statement rejecting any declaration by the maritime powers.

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